

**Iowa Department of Natural Resources
Environmental Protection Commission**

ITEM

8

DECISION

TOPIC

**Proposed Rule – amend Chapter 107 by adopting new rule 567-
107.16(455C) “Independent redemption center grant program”**

Attached for the Commission’s approval is a Notice of Intended Action to amend 567-Chapter 107 by adopting new subrule [567] 107.16(455C) “Independent redemption center grant program.”

This amendment is being proposed to establish criteria for awarding grants to independent redemption centers for making improvements to such centers. The grant program is the result of recently passed legislation, House File 2700, dedicating one million dollars from the general fund of the state for improvements to independent redemption centers in existence prior to July 1, 2008.

The Commission is requested to approve the attached Notice of Intended Action. By making this approval today, the Commission is enabling the expedited effective date of this rule. This is justified under Iowa Code sections 17A.5(2)(b)(2) because the rule confers a benefit on the public.

Brian Tormey, Chief
Land Quality Bureau
Environmental Services Division

June 16, 2008

ENVIRONMENTAL PROTECTION COMMISSION

Notice of Intended Action

Pursuant to the authority of Iowa Code section 455C.17, the Environmental Protection Commission hereby gives Notice of Intended Action to amend Chapter 107, “Beverage Container Deposits,” Iowa Administrative Code by adopting new subrule [567] 107.16(455C) “Independent redemption center grant program.”

This amendment is being proposed to establish criteria for awarding grants to independent redemption centers for making improvements to such centers. The grant program is the result of recently passed legislation, House File 2700, dedicating one million dollars from the general fund of the state to an independent redemption center grant fund for improvements to independent redemption centers in existence prior to July 1, 2008. Up to three and one-half percent of the fund can be used to pay administrative costs relating to the management of the grant program.

Any interested person may make written suggestions or comments pertaining to the proposed amendment on or before 4:30 p.m. on August 19, 2008. Such written materials should be directed to Bill Blum, Land Quality Bureau, Iowa Department of Natural Resources, 502 East 9th Street, Wallace State Office Building, Des Moines, Iowa 50319-0034; fax (515)281-8895; or E-mail bill.blum@dnr.iowa.gov. Persons wishing to convey their views orally should contact Bill Blum by telephone at (515)281-8176.

When submitting comments, stakeholders are encouraged by the Department to utilize the following guidelines. These guidelines aid the Department in accurately understanding and creating a record of your input.

1. Include your mailing address and contact information.
2. Please state if you are submitting comments on behalf of a business or organization or as an individual.
3. Cite the specific rule(s) on which you are commenting.
4. Explain your views as clearly as possible by describing any assumptions, data, or technical information you utilized.
5. Provide specific examples to illustrate your concerns.
6. Offer alternative language to improve the specific rule(s) and explain why.

A public hearing will be held on August 19, 2008, at 2:00 p.m. in the 5th Floor-west Conference Room of the Wallace State Office Building, 502 East Ninth Street, Des Moines, at which time persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the amendment.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department of Natural Resources to advise of special needs.

This amendment is intended to implement House File 2700 sections 78 and 88, which on July 1, 2008 will become effective as Iowa Code section 455C.17 and its related appropriation.

The following amendment is proposed.

Item 1. Amend 567 chapter 107 by adopting a **new** subrule as follows:

567--107.16(455C) Independent redemption center grant program. An independent redemption center grant program is established in the department, with funds provided from the independent redemption center grant fund established in the state treasury department under the authority of the department. The purpose of the program is to award grants for improvements to independent redemption centers. No grant shall exceed fifteen thousand dollars for any redemption center. The department shall issue awards in accordance with the availability of moneys in the independent redemption center grant fund.

567-107.16(1) Goals. The goals of the program are to enable grantees to become more:

a. Sustainable. Measures that help independent redemption centers continue to operate and succeed, including but not limited to physical improvements to sites owned by independent redemption centers or equipment purchases that can help reduce operational costs.

b. Convenient. Measures that help independent redemption centers better serve customers.

c. Accessible. Measures that enable customers to more easily use independent redemption centers' services.

107.16(2) Application. The department shall develop an application for redemption centers to complete and submit to the department in order to apply for a grant under this program. The application shall include but is not limited to:

a. An explanation of how the grant will enable the redemption center to become more sustainable, convenient or accessible.

b. The specific amount of grant funds that will be expended to pay for the improvement or improvements, stated and substantiated.

c. If the applicant's beverage container redemption function is one part of a business enterprise that includes one or more other commercial activities that are not beverage container redemption, a clear explanation must be provided as to how the proposed grant-funded improvement or improvements will be implemented exclusively for the beverage container redemption function.

107.16(3) Eligibility. To be eligible for the Independent Redemption center Grant program a redemption center must meet all of the following criteria.

a. Have no affiliation with or in any way be a subsidiary of a dealer, a distributor, or a manufacturer.

b. Have been in business prior to July 1, 2008. Redemption centers registered with the department as an approved redemption center, unapproved redemption center, redemption center for a dealer or registered redemption center prior to July 1, 2008 meet this criterion. Redemption centers that were not registered in with the department prior to July 1, 2008 must provide documentation that the redemption center was in business prior to July 1, 2008.

107.16(4) Evaluation of applications. The department will evaluate all eligible grant applications submitted in the manner prescribed in the application. The applications will be evaluated on their compatibility with the goals of the program.

a. Physical improvements to a site owned by an independent redemption center or equipment purchases that will improve the sustainability, convenience, or accessibility of a redemption center will receive highest consideration. Although not required, applications that include statements of cash match will be evaluated more favorably.

b. Labor cost that will improve the sustainability, convenience or accessibility of a redemption center will receive secondary consideration.

c. Direct cash payments for general compensation will not be considered.

107.16(5) Grant denial. An application may be denied for the following reasons, including but not limited to:

a. The applicant does not meet eligibility requirements pursuant to 567-107.16(3).

b. The applicant does not provide sufficient information requested for the application proposal.

c. The project is not consistent with the goals of the program.

d. Funds are insufficient to award financial assistance to all qualified applicants.

e. The applicant has not met contractual obligations of previous grant awards.

f. The department received the application after the deadline stated in the application.

107.16(4) Grant contracts, reporting and accountability. Each grant the department awards under this program shall be conveyed by means of a contract with each grantee. The department shall develop and provide the form of the grant contracts, which shall include at a minimum:

a. The description and explanation of the improvement or improvements being funded, including the statement of cash match, if any, that will be expended by the grantee.

b. The dollar amount of the grant award, and the manner in which funds will be transferred.

c. The requirement for the grantee to submit to the department a report following the implementation of the improvement or improvements being funded. Reports shall state how the

grant funds, and cash match, if any, were expended in the execution of the contract, and shall include copies of any supporting documents.

d. The department's remedies in the event of a grantee's breach.

These rules are intended to implement Iowa Code section 455C.17.

Date

Richard A. Leopold, Director